

PART 5 FUNDRAISING AND POLITICAL ACTIVITIES OF THE NATIONAL PARTIES AND ADMINISTRATIONS

Chapter 31: Other Contributor Access Issues

Johnny Chung, a Taiwan-born American businessman, was a large contributor to the Democratic National Committee (“DNC”) during the 1996 election cycle and a frequent visitor to the White House. During some of these visits, he was accompanied by Asian business associates, for whom he arranged “photo opportunities.” Many of his visits were to the office of Margaret Williams, then Chief of Staff for First Lady Hillary Clinton. During a March 1995 visit to Williams’s office, Chung gave her a \$50,000 check payable to the DNC, which she immediately forwarded to the DNC. The Committee investigated whether Chung’s access to the White House was inappropriate and whether Williams acted appropriately in connection with a \$50,000 donation by Chung.

Chung did not cooperate with the Committee’s investigation, citing his Fifth Amendment protection against self-incrimination. Although he offered to testify in exchange for immunity, this offer was not accepted by the Committee. The Committee did not hold hearings on Chung, but it did take deposition testimony from Margaret Williams and her assistant Evan Ryan.

This chapter of the Report also discusses other controversial individuals who were provided access to President Clinton and to former President Bush.

FINDINGS

(1) The evidence before the Committee shows that even though Chief of Staff to the First Lady, Margaret Williams, immediately placed the contribution from Johnny Chung to the DNC in the mailbox, it would have been more prudent for her to have refused to accept the check from Chung and told him to give it directly to the DNC.

(2) Chung's access to the White House, which was based in part on his contributions to the Democratic Party, was excessive and inappropriate. On one occasion Chung was permitted to bring foreign business associates to view the President’s delivery of a radio address without appropriate vetting by the DNC or the White House.

JOHNNY CHUNG

Chien Chuen (“Johnny”) Chung¹ is a California businessman who emigrated from Taiwan² and became a United States citizen. Chung, who is an engineer, established Automated Intelligent Systems Inc.³ (“AIS”), a company in the Los Angeles area. AIS sells a computer system that

enables customers to broadcast thousands of copies of a fax simultaneously.⁴ In the mid-1990s, Chung became active internationally, doing business in China and other parts of Asia. For example, he sold part of his fax business to Asian investors and acted as a consultant to Asian businessmen.

Political Contributions

Chung has told reporters that he began courting politicians because he felt this would help him market AISI's fax service to government offices.⁵ He began making political contributions in August 1994.⁶ During the 1994 and 1996 election cycles, according to Federal Election Commission records, Chung or his fax business contributed more than \$360,000 to the DNC and to congressional campaigns.⁷ Chung also raised money for the Democrats.

Access to Administration Officials

From 1994 to 1996, Chung attended several fundraising and other events also attended by top U.S. officials. For example, the August 1994 contribution was connected with a birthday party for the President.⁸ In December of that year, Chung donated \$40,000 in order to attend, with several guests, a fundraising luncheon attended by the First Lady.⁹ During the 1996 cycle, according to a press report, Chung purchased several tickets to a "\$25,000-a-plate dinner at the California home of the film maker Steven Spielberg and a birthday bash for Mr. Clinton at Radio City Music Hall and brought several guests."¹⁰ During the same period that Chung emerged as an important Democratic donor, he became a frequent visitor to the White House Complex, a term that refers to the White House itself and to a few nearby buildings, including the Old Executive Office Building ("OEOB"). Contrary to several press reports, most of these visits were not to the White House itself, but to the OEOB, where he visited the offices of Margaret Williams, then Chief of Staff to the First Lady.¹¹ The First Lady does not maintain an office in the suite where these offices are located.¹²

Some of Chung's White House visits were apparently aimed at impressing Asian business associates,¹³ who sometimes accompanied him. In December 1994, for example, Chung brought a group of mainland Chinese executives to the White House, including Chen Shizeng, chairman of Haomen, a beer and soft drink company.¹⁴ Chung and his guests posed for pictures with President and Mrs. Clinton.¹⁵ Without the White House's knowledge, and apparently without consulting Chung, the Haomen company later used the photos in China to promote its beer.¹⁶

On March 11, 1995, Chung and five businessmen from China watched President Clinton deliver his weekly radio address in the Oval Office.¹⁷ Chung had arranged the visit with assistance from the DNC.¹⁸

At these visits, Chung did not meet privately with the President or have an opportunity to engage in any lengthy conversations with him.

National Security Council staff members were wary of Chung. On April 7, 1995, NSC staff member Melanie Darby sent an e-mail message to colleagues regarding the March 11 presidential radio address. She asked whether they felt the visitors should be given copies of the photographs taken that day. She wrote that President Clinton “wasn’t sure we’d want photos of him with these people circulating around” and that the DNC had arranged for the six businessmen to visit without “knowing anything about them except that they were D.N.C. contributors.” But she added that “these people are major D.N.C. contributors and if we can give them the photos, the President’s office would like to do so.”¹⁹ (Contrary to that statement, no evidence has emerged that Chung’s guests donated to the DNC.)

Later that day, Robert L. Suettinger, Director of Asian Affairs in the NSC, replied with a e-mail in which he advised “caution” concerning Chung.

My impression is that he's a hustler, and appears to be involved in setting up some kind of consulting operation that will thrive by bringing Chinese entrepreneurs into town for exposure to high-level US officials. My concern is that he will continue to make efforts to bring his “friends” into contact with the POTUS [the President] and FLOTUS [the First Lady] -- to show one and all he is a big shot, thereby enhancing his business. I'd venture a guess that not all his business ventures -- or those of his clients -- would be ones the President would support. I also predict that he will become a royal pain, because he will expect to get similar treatment for future visits. He will be persistent.²⁰

In the summer of 1995, Chung attempted to involve himself in assisting Harry Wu, an American labor activist who had been jailed in China.²¹ Chung sought a letter from President Clinton supporting his efforts to help release Wu but was rebuffed.²² DNC Chairman Donald Fowler did, however, sign a letter describing Chung as “a friend and a great supporter of the DNC.”²³ Chung’s efforts to involve himself in this delicate matter provoked concern on the part of the NSC’s Suettinger. In a note to then-National Security Adviser Anthony Lake, he described Chung’s mission as “very troubling” and said he feared that Chung could do “damage.” He advised that “we be very careful about the kinds of favors he is granted.”²⁴ Ultimately, Chung’s attempt to involve himself in this issue had no effect on the administration’s handling of the Wu case. (Wu was later released.)

Despite concerns about Chung, he was allowed to continue visiting the White House Complex. For example, Secret Service records show that he made 30 visits to the White House Complex in 1995, most of them to Margaret Williams’s office in the Old Executive Office Building.

Link Between Contributions and Visits

Although Chung did not provide evidence to the Committee, he has told journalists (in unsworn statements) that his White House access was a direct quid pro quo for political

contributions. “I see the White House is like a subway,” he said. “You have to put in coins to open the gates.”²⁵ Chung has also stated that he and his associates attended the March 11, 1995, presidential radio address as a quid pro quo for a \$50,000 donation he made to the DNC around that time -- in the form of a check he handed to Margaret Williams.²⁶

The Committee found no evidence that access to the White House was sold in the crude manner described by Chung. Regarding the \$50,000 contribution, the DNC’s Fowler denied under oath that the invitation was provided in exchange for a specific donation.²⁷ He also testified that he was not involved in getting Chung an invitation to the radio address,²⁸ and that he was unaware that Chung had given a check to Williams for the DNC until the incident was reported in the media.²⁹ Williams testified that she played no role in arranging the invitation to the radio address.³⁰ She also testified that such invitations are not difficult to obtain.³¹

Although Chung’s “subway” analogy appears to be an exaggeration, his status as a contributor was probably the main reason he was allowed to visit so frequently. Testimony established that White House officials viewed Chung’s visits as “irritating,” but Williams permitted him to visit in her outer office, despite the fact that he had no obvious reason to be there.³² Williams stated that she expected every visitor, including Chung, to be welcomed by the staff. She tolerated him because she believed that he had been mistreated and ridiculed.³³ She also stated, “[T]here were many difficult days for Mrs. Clinton over this time period, and the idea that somebody adored her and wanted to be there was fine.”³⁴ But Williams also acknowledged that she knew Chung was a large donor to the DNC,³⁵ and that this was a factor in her decision to let him spend time in her office.³⁶

Williams’s Handling of Chung’s \$50,000 DNC Donation

Chung’s most controversial donation was a check for \$50,000 to the DNC, which he gave to Margaret Williams in March 1995. As noted above, Chung claimed that Williams solicited this check as a quid pro quo for attendance at a presidential radio broadcast.

On March 8, Chung arrived at Williams’s office at the OEOB without an appointment and spoke to Evan Ryan, Williams’s assistant.³⁷ Chung’s lawyer has told Time magazine that Chung wanted to arrange lunch in the White House mess and a meeting with the First Lady for the five visiting Chinese executives. According to Time, “[T]he subject turned to Democratic Party needs. Ryan remarked that the President’s party had to cover the costs of political events held by the First Lady at the White House.”³⁸ In interviews with the press, Chung has alleged that he wanted to “‘help the First Lady’” defray some of the costs associated with Christmas parties the DNC held at the White House, and this was why he later made a \$50,000 contribution.³⁹

The sworn testimony of both Ryan and Williams contradicts Chung’s unsworn assertions to journalists. During the March 8 conversation, according to Ryan, Chung mentioned a contribution he was planning to make.⁴⁰ According to Ryan, Chung frequently talked about his contributions, and in this case she thought that he was boasting as he often did.⁴¹ Ryan testified

that Chung also mentioned that he wanted to bring some visitors to the White House, and Ryan asked Williams what to do about the requests.⁴² Williams suggested that Ryan make some calls about setting up a White House tour and lunch in the White House mess.⁴³ This was the extent of Williams's instructions to Ryan regarding Chung's requests, according to Ryan.⁴⁴

Ryan testified that she knows of no solicitation of money that ever occurred in the White House.⁴⁵ Regarding the specific allegation that either she or Williams solicited the \$50,000 contribution from Chung to help pay off debts, Ryan testified that she never had any discussion with Chung during which she suggested that he could help defray costs of events at the White House.⁴⁶

During testimony before the House Committee on Government Reform and Oversight, Williams confirmed Ryan's version, testifying that she had no knowledge of Ryan ever mentioning to Chung that he could make a \$50,000 contribution to cover some of the DNC debt. She also testified that she had never solicited \$50,000 from Chung to help pay some of the money the DNC owed the White House to cover the costs of holiday parties the DNC threw at the White House.⁴⁷ Williams also testified to the House Committee that she never told Ryan that if Chung were to ask how he could help the First Lady, Ryan should suggest to him that he help pay off the DNC's debt to the White House.⁴⁸ Williams has stated, however, that Chung had asked in the past if he could give something to help Mrs. Clinton.⁴⁹ On those occasions, Williams had suggested that he make a contribution to the DNC, or the Presidential Legal Expense Trust, but told him that he could not give money to Mrs. Clinton.⁵⁰

According to Ryan's testimony, there were no discussions between Ryan and Williams regarding Chung's contributions or regarding any connection between his contributions and actually fulfilling his requests for a lunch in the White House mess and a White House tour.⁵¹ Neither Williams nor Ryan suggested to Chung that his requests would be expedited if he contributed to the DNC.

On March 9, according to several press reports, Chung visited the DNC to ask if he could bring a delegation of five executives from China to the White House to have a photo taken with the President. Although, as noted above, he has claimed that he offered to make a \$50,000 contribution in exchange for such a visit, the Committee found no evidence to support this allegation.

That same day, Chung appeared at the Old Executive Office Building, and Ryan gave permission for him to enter⁵² and visit Williams's office. Williams had not known that Chung was coming to her office that day.⁵³ Ryan testified that Williams seemed perplexed, but dismissed this as "well, whatever, . . . that's Johnny."⁵⁴

Chung handed Williams a check, despite her protestations.⁵⁵ Williams testified that she initially rejected the check, thinking that it was made out to Mrs. Clinton.⁵⁶ When Chung stated that it was for the DNC, she decided that she "just wanted to get out of [there]" so she agreed to

forward the check to the DNC.⁵⁷ She then dropped the check into her outbox with no note to the DNC, and without telling anyone at the DNC that they should be expecting it.⁵⁸ She estimated that the entire encounter lasted perhaps 60 to 90 seconds.⁵⁹ She said she did not even know the amount of the check.⁶⁰

Williams had never been handed a political contribution in the White House before,⁶¹ and there were no standard procedures about what to do in such a case.⁶² On several occasions, checks intended for the DNC had been mailed by mistake to the First Lady's office, and Williams simply forwarded them to the DNC.⁶³ She decided to handle Chung's check in the same manner. She put it in her out box,⁶⁴ did not tell anyone she had received it, and did not record her receipt of it anywhere.⁶⁵ She testified:

A: Just like any other check I might get, I'd put it in the mail box, in my out box, and when the rest of the things from my out box were collected or, you know, whatever volunteer, would sort through it and send the check where it needed to go.

Q: Did you put a note on it, sent to DNC?

A: No. I-I mean, I figure what I had always done is just put the check in. I never take the time to write a note.⁶⁶

Chung, in an unsworn statement to the Los Angeles Times, said that Ryan told him that Mrs. Clinton was aware of his contribution.⁶⁷ This statement is directly contradicted by the sworn testimony of both Ryan and Williams. Ryan testified that she had no knowledge of whether the First Lady was aware of the contribution.⁶⁸ She also testified that Chung never asked her if the First Lady knew that he had made a contribution to the DNC.⁶⁹ Williams also testified that she never told anyone about the contribution.⁷⁰

The Pendleton Act

Under the Pendleton Act, 18 U.S.C. § 607, it is unlawful "for any person to solicit or receive any contribution" on federal property. Although Chung, as discussed above, asserted to reporters that the check was solicited, the Committee found no evidence to corroborate that assertion. Moreover, Williams and Ryan both testified that they did not solicit the contribution.

Williams also does not appear to have violated § 607 by "receiving" Chung's contribution in her office at the OEOB. Under federal regulations, in order to violate § 607 by "receiving" a contribution, one must "come into possession of something from a person officially on behalf of a candidate, a campaign, a political party, or a partisan political group" [emphasis added].⁷¹ Regulations also provide that "ministerial acts" are not covered by the statute.⁷² A 1995 Justice Department opinion concluded that the mere taking of custody of a contribution by someone who has no "right of disposal" cannot be considered "receipt" of the contribution and is, therefore, not

governed by the statute.⁷³

Under these circumstances, Williams was a mere custodian of the check Chung gave her. She handled the check for mere seconds, accepting it from him and then immediately putting it in her outbox. She did not even notice how much it was made out for. Williams never had the “right of disposal” discussed in the Justice Department opinion. Instead (using the language of the Justice Department opinion), she “had no more to do with the transaction than a mere messenger would have had to whom the owner had handed it for delivery.”⁷⁴ Thus, it appears that Williams never actually received the money within the meaning of 18 U.S.C. § 607.

Moreover, Williams’s role as chief of staff to the First Lady gave her no authority to act officially on behalf of the DNC. She had only sporadic contact with the DNC.⁷⁵ Aside from scheduling the First Lady at events which were fundraisers, or had fundraising components, Williams was not involved with DNC fundraising.⁷⁶ The only time she would intervene on behalf of a donor would be to pass his or her name along to the Office of the Social Secretary for possible inclusion in a White House event.⁷⁷ By physically taking a check from Chung she was not then actually receiving it on behalf of the DNC, because she was not an agent of the DNC. She was merely a performing a ministerial act.

Finally, § 607 does not apply to soft money contributions.⁷⁸ According to Federal Election Commission records, the contribution Chung made went into the DNC’s non-federal or “soft” money account.⁷⁹ Because it was soft money, soliciting or receiving the contribution even if it had occurred would not have violated § 607.⁸⁰

The Hatch Act

Under the Hatch Act, 5 U.S.C. § 7323, a federal employee may not “knowingly solicit, accept, or receive a political contribution.” Unlike the Pendleton Act, which does not apply to contributions not covered by the Federal Election Campaign Act, the Hatch Act does apply to soft money.

As discussed above, however the Committee received no evidence that Williams solicited the contribution. Moreover, the analysis of whether a contribution has been received or accepted is the same under the Hatch Act as the analysis for whether a contribution has been received under the Pendleton Act: The mere unofficial taking of custody is not covered by the act.⁸¹ As discussed above, Williams did not take the check from Chung on behalf of anyone else, nor did she have the authority to accept checks on behalf of the DNC. She simply performed a ministerial act by putting the check Chung gave her directly into her outbox to be sent to the DNC. Williams therefore did not receive or accept a contribution as defined by the Hatch Act.

OTHER INDIVIDUALS

Jorge Cabrera

Jorge Cabrera, a Florida businessman, contributed \$20,000 to the DNC in order to attend a fundraising event in Miami in December 1995, where he met Vice President Gore and the First Lady.⁸² A few days later, Cabrera attended a White House Christmas party at which the First Lady was present.⁸³

In early 1996, Cabrera was arrested in Florida and charged with attempting to smuggle cocaine into the United States; he was later sentenced to 19 years in prison.⁸⁴ After the arrest, there were reports in the press that Cabrera had a previous criminal record at the time he was invited to the White House in late 1995. In 1983, he pleaded guilty to conspiracy to bribe a grand jury witness and served 42 months in prison. In 1988, he was charged with overseeing a narcotics ring, but pleaded guilty to income tax evasion and served a year in prison. On another occasion, he was charged with racketeering and drug distribution, but not convicted.⁸⁵ (Cabrera is also suspected of ties to Cuban leader Fidel Castro;⁸⁶ those alleged connections are being investigated by the House Government Reform and Oversight Committee.⁸⁷)

When Cabrera's criminal record was publicized, Leon Panetta, then Chief of Staff in the White House, asked other White House staff members to "meet with Secret Service to find out how a decision was made to allow a convicted felon to 'run round' the White House," according to notes taken by an aide.⁸⁸

The Secret Service responded that Cabrera had been allowed to enter the White House because the cases that turned up on a law enforcement database indicated that he did not pose a physical threat to the First Family.⁸⁹ Secret Service procedures do not automatically call for the exclusion of visitors because they have criminal records (see Chapter 26).⁹⁰ Instead, the Secret Service determines whether criminal records of proposed visitors would suggest that the individual may pose a physical threat to the President or other White House officials. The Secret Service is prohibited by law from telling the White House staff about any proposed visitor's criminal record, and therefore did not inform the White House of the information they obtained regarding Cabrera.⁹¹

The DNC, however, could have learned about Cabrera's background if it had conducted an on-line search of the press via Lexis-Nexis,⁹² but it apparently failed to do so. DNC spokeswoman Amy Weiss Tobe admitted, "We were not doing the proper vetting of guests at our events. We regret that this happened, but we have a process in place now where the mistakes of the past will not be the mistakes of the future."⁹³

Grigori Loutchansky

According to press reports, Grigori Loutchansky is the president of Nordex, a trading company in Vienna that specializes in doing business in the former Soviet Union. He was born and raised in the Soviet Union, but currently holds an Israeli passport. In October 1993, Loutchansky attended a Democratic Party dinner as the guest of Sam Domb, a New York real estate developer and

DNC donor. The dinner was not held in the White House, but was attended by President Clinton and Vice President Gore. Loutchansky reportedly chatted briefly with the President and had his picture taken. Loutchansky later told reporters that the President asked him to convey a message to the president of Ukraine, asking him to reduce that country's nuclear stockpile.⁹⁴ A senior official of the National Security Council, however, told the Committee that Loutchansky's assertions were not accurate.⁹⁵

In 1995, the DNC invited Loutchansky to a fundraising event at the Hay Adams Hotel in Washington, at the suggestion of Sam Domb. DNC Finance Director Richard Sullivan contacted Karen Hancox, Deputy Director of the White House Office of Political Affairs, and expressed concerns about Loutchansky. Hancox contacted the National Security Council, which recommended that Loutchansky not attend the event.⁹⁶ Hancox passed this information on to Sullivan⁹⁷ and he asked Domb to rescind the invitation to Loutchansky, which he did.⁹⁸

In July 1996, Time magazine reported that Loutchansky was under investigation by law enforcement and intelligence agencies in the United States and other countries. He was suspected of involvement in arms-trafficking, money-laundering, and other crimes, but had not been charged.⁹⁹ Shortly before the November election, the Republican National Committee issued a press release based mainly on that article, criticizing the President for having met with Loutchansky three years earlier. The RNC press release failed to mention that the allegations against Nordex had not been reported in the press when Loutchansky was invited to the 1993 dinner, nor did it mention that he had never attended an event in the White House or any DNC event after 1993. The press release also insinuated, without any substantiation, that Loutchansky had contributed money to the DNC.¹⁰⁰

Wang Jun

Wang Jun is a Chinese citizen and the son of Wang Zhen, a high-ranking Chinese government official.¹⁰¹ Wang Jun is the chairman of China International Trust and Investment Corporation ("CITIC"), the chief investment arm of the Chinese government. He is also reportedly the chairman of the China Poly Group, an arms-manufacturer.

On February 6, 1996, Wang attended a White House coffee at the invitation of Yah Lin "Charlie" Trie, at which President Clinton was in attendance.¹⁰² Shortly after the coffee, Poly Technologies was implicated in smuggling weapons into the United States and Wang was described in press reports as an "arms dealer."¹⁰³

Although the President and the DNC acknowledged that Wang's attendance at the coffee was "clearly inappropriate," neither the DNC nor the White House notified the NSC about this invitation in order to receive information about Wang before he attended the event.¹⁰⁴ Moreover, Wang's role in China Poly and its Poly Technologies unit is not clear, despite his title as chairman of China Poly, according to Robert Suettinger, Director of Asian Affairs in the National Security Council. Suettinger informed the Committee that Wang is generally associated with CITIC, not with Poly Technologies.¹⁰⁵

CITIC, a \$20 billion conglomerate, serves as the chief investment arm of China's central government with ministry-level status on the Chinese State Council.¹⁰⁶ CITIC is guided by a 13-member CITIC International Advisory Council, whose board members include prominent Americans including former Secretary of State George Shultz and Maurice Greenberg, chairman of a American International Group, a major insurance firm.¹⁰⁷ CITIC companies have received more than \$200 million worth of financing from the Export-Import Bank of the United States. CITIC has forged business partnerships with a variety of U.S. firms, including Westinghouse, Bechtel, and Chase Manhattan. Two months after appearing at the White House coffee, Wang hosted a dinner in Beijing attended by former President Bush and Brent Scowcroft, President Bush's former national security advisor.¹⁰⁸ Wang calls Henry Kissinger "a good friend."¹⁰⁹ During the hearing, Senator Glenn observed that Wang was "a key figure for virtually any U.S. company interested in major economic involvement in China."¹¹⁰ Senator Glenn noted that former Secretary Shultz has been quoted as saying that he attended CITIC's advisory council meeting in 1996 and that he planned to attend the 1997 meeting as well. Senator Glenn described Secretary Shultz as "one of the finest people to serve in Government..."¹¹¹

After the arms-dealing allegations were publicized, the White House determined that Wang Jun had not been vetted by the NSC (there had been only a "summary background check" by the DNC). The NSC was then asked what it would have recommended if it had performed a background check. Suettinger of the NSC stated in his interview that he believes that if he had been consulted he would have recommended against Wang attending a DNC event because of Wang's "business connections, not his ties to the Communist government" of China.¹¹²

Yung Soo Yoo

Yung Soo Yoo is a Korean-born American citizen.¹¹³ He is a resident of New Jersey and owns Vitac Optical Inc., a company which imports optical lenses.¹¹⁴ In 1991, he attended a state dinner in the Bush White House. Throughout the 1990s, he contributed to a wide range of Republican committees and candidates.

In 1977, Yoo testified before a House of Representatives subcommittee that he had worked with the Korean Central Intelligence Agency in an unsuccessful attempt to prevent Korean witnesses from cooperating with a congressional investigation into "Koreagate."¹¹⁵ This was a scandal involving attempts by the South Korean government to acquire influence in Washington by, for example, bribing members of Congress.

In 1984, Yoo was found guilty under 18 U.S.C. § 1014 of committing bank fraud.¹¹⁶ The scheme involved his sale of substandard coal to the South Korean government in 1982, and making false statements to a U.S. bank to obtain \$4 million from an international letter of credit. Yoo's appeal of the conviction was rejected.¹¹⁷ He subsequently paid a \$10,000 fine.¹¹⁸

Yoo has been active in Republican circles for several years. In 1988, he contributed \$1,000 to the Bush presidential campaign and \$6,000 to the Republican National Committee.¹¹⁹ He gave

\$4,500 to the President's Dinner in 1990.¹²⁰ He attended a 1991 State Dinner at the White House hosted by President Bush for South Korean President Roh Tae Woo, and was actively engaged in Republican fundraising during the 1992, 1994, and 1996 election cycles.¹²¹

In 1992, Yoo raised campaign funds in the Korean-American community for President Bush and Senator Alfonse D'Amato of New York and held a fundraiser for Senator D'Amato which was attended by President Bush.¹²² He also raised money for Representative Jay Kim of California and, according to federal prosecutors, was the middleman in a scheme to funnel illegal corporate contributions to the Congressman (see Chapter 8).¹²³ In 1994, Yoo served on the transition team for George Pataki, the Governor-elect of New York, and as the chairman of the International Trade Subcommittee of New Jersey Governor Christine Todd Whitman's economic task force.¹²⁴

In 1994, Yoo donated \$2,000 to Senator D'Amato.¹²⁵ Two years later, at Yoo's suggestion, Chong Hwang, then the president of the Korean Apparel Manufacturers Association ("KAMA") donated \$5,000 in KAMA funds to Senator D'Amato and persuaded 23 KAMA members to purchase \$11,500 worth of tickets to a fundraiser headed by D'Amato. As a result, Korean-American factory owners were able to meet with a Pataki aide and as well as Edward McElroy, a director of the Immigration and Naturalization Service.¹²⁶ Hwang was later removed as president of KAMA because of the unauthorized contributions to Senator D'Amato.¹²⁷

Yoo and Senator D'Amato were scheduled to co-chair a fundraiser for Senator Jesse Helms of North Carolina on October 11, 1996, but the event was abruptly canceled the morning it was to take place.¹²⁸ Yoo and his wife did, however, donate \$2,000 to Helms and \$1,000 to the North Carolina Victory Committee in 1996.¹²⁹

Michael Kojima

Michael Kojima, a Japanese-born U.S. citizen, contributed \$500,000 to the Republican Party in 1992 -- the largest contribution to that event -- and was rewarded with a seat at the head table, next to President Bush, as discussed in Chapter 6 of the Minority Report.

After the 1992 dinner, news organizations published reports strongly suggesting that Kojima did not make the \$500,000 contribution from his own funds. His business was small and apparently struggling. He owed large sums of money to creditors, and he had failed to pay child support to two ex-wives. The Republican Party eventually was forced to share some of the \$500,000 with Kojima's creditors, but it insisted on keeping the rest, brushing aside evidence that Kojima was probably a conduit for other donors, most likely businessmen in Japan.

The Republican Party not only provided Kojima with access to President Bush, but a party official wrote several letters on Kojima's behalf, helping him secure meetings with U.S. embassy and consular officials. The RNC even tried to help him get appointments with foreign heads of government.

CONCLUSION

Johnny Chung has asserted in unsworn statements to journalists that he was provided with access to the White House as an explicit quid pro quo for political contributions. He specifically linked a \$50,000 contribution to his attendance, with some foreign visitors, at a presidential radio address. Although the evidence presented to this Committee does not support those assertions, Chung's access to the White House was inappropriate and was probably influenced by his status as a major DNC donor.

The Committee found no evidence that Margaret Williams traded access for contributions or that her activities violated federal laws prohibiting the solicitation of contributors on federal property.

Several individuals involved in controversial activities have been afforded access to senior administration figures in both the Clinton and Bush Administrations. This was largely the fault of inadequate vetting procedures used by the White House and the national political parties. This problem should diminish, since, as noted elsewhere in this Minority Report, the White House and DNC have now tightened their vetting procedures.

1. Los Angeles Times, 3/1/97; New York Times, 2/22/97.
2. New York Times, 2/22/97.
3. New York Times, 2/22/97.
4. New York Times, 2/22/97.
5. New York Times, 2/22/97, citing interviews Chung had given to Los Angeles business publications.
6. New York Times, 2/22/97, citing FEC records.
7. New York Times, 2/22/97, citing FEC records.
8. New York Times, 2/22/97.
9. New York Times, 2/22/97.
10. New York Times, 2/22/97.
11. Margaret Williams and Evan Ryan's offices were located in Room 100 of the Old Executive Office Building.
12. Evan Ryan deposition, 8/7/97, pp. 11-12.
13. New York Times, 2/22/97: "Associates [of Chung] say he has used his impressive political access to cement business deals with investors from China, Taiwan and Hong Kong"
14. New York Times, 2/22/97.
15. New York Times, 2/22/97.
16. New York Times, 2/22/97.
17. Time, 3/3/97.
18. Donald Fowler deposition, 5/21/97, pp. 154-55; see discussion *infra*.
19. E-mail from Melanie B. Darby of the NSC, 4/7/97, EOP 5438-40.
20. E-mail from Robert L. Suettinger of the NSC, 4/7/97, EOP 05438-40.
21. New York Times, 2/22/97.

22. New York Times, 2/22/97.
23. New York Times, 2/22/97.
24. Time, 2/24/97.
25. Los Angeles Times, 7/27/97.
26. Time, 3/3/97.
27. New York Times, 3/3/97.
28. Donald Fowler deposition, 5/21/97, pp. 154-55.
29. Donald Fowler deposition, 5/21/97, p. 323.
30. Margaret Williams deposition, 5/29/97, p. 198. She reiterated this under oath to the Government Reform and Oversight Committee of the House of Representatives, testifying that she did not tell anyone at the DNC or in the President's office about Chung's contribution, and that she did nothing, "no matter how insignificant," to help him secure an invitation to the presidential radio address. House Government Reform and Oversight Committee Hearing Transcript 11/13/97.
31. Margaret Williams deposition, 5/29/97, p. 198.
32. Margaret Williams deposition, 5/29/97, pp. 159-60.
33. Margaret Williams deposition, 5/29/97, p. 167.
34. Margaret Williams deposition, 5/29/97, p. 160.
35. Margaret Williams deposition, 5/29/97, p. 163.
36. Margaret Williams deposition, 5/29/97, p. 212.
37. Evan Ryan deposition, 8/7/97, pp. 74-75.
38. Time, 3/17/97, p. 20.
39. Los Angeles Times, 7/27/97.
40. Evan Ryan deposition, 8/7/97, pp. 74-75.
41. Evan Ryan deposition, 8/7/97, pp. 76-77.
42. Evan Ryan deposition, 8/7/97, p. 77.

43. Evan Ryan deposition, 8/7/97, pp. 84-85.
44. Evan Ryan deposition, 8/7/97, p. 150.
45. Evan Ryan deposition, 8/7/97, p. 163.
46. Evan Ryan deposition, 8/7/97, pp. 143-45.
47. 11/13/97 House Government Reform and Oversight Committee Hearing transcript.
48. 11/13/97 House Government Reform and Oversight Committee Hearing transcript.
49. Margaret Williams deposition, 5/29/97, pp. 181-82.
50. Margaret Williams deposition, 5/29/97, p. 182.
51. Evan Ryan deposition, 8/7/97, p. 145.
52. Summary of Secret Service WAVES records relating to Chung, EOP 004560-63.
53. Margaret Williams deposition, 5/29/97, p. 230.
54. Evan Ryan deposition, 8/7/97, p. 116.
55. Margaret Williams deposition, 5/29/97 pp. 173-74; pp. 183-84.
56. Margaret Williams deposition, 5/29/97, p. 184.
57. Margaret Williams deposition, 5/29/97, p. 184. Ryan also testified that Chung was very persistent and that Williams, by taking the check from him, was saving herself from being stuck in a lengthy conversation with Chung. Evan Ryan deposition, 8/7/97, pp. 153-54.
58. Margaret Williams deposition, 5/29/97, pp. 186, 233.
59. Margaret Williams deposition, 5/29/97, p. 232; Evan Ryan deposition, 8/7/97, p. 155.
60. Margaret Williams deposition, 5/29/97, p. 174.
61. Margaret Williams deposition, 5/29/97, p. 184. During hearings held by the House Government Reform and Oversight Committee Williams reiterated that this was the first time anyone had ever come to the office and handed her a political contribution. House Government Reform and Oversight Committee hearing transcript, 11/13/97. No one has come to the office to deliver her a contribution since this incident. House Government Reform and Oversight Committee hearing transcript, 11/13/97.
62. Margaret Williams deposition, 5/29/97, p. 185.

63. Margaret Williams deposition, 5/29/97, pp. 185-86.
64. Margaret Williams deposition, 5/29/97, p. 186.
65. Margaret Williams deposition, 5/29/97, p. 232-33.
66. Margaret Williams deposition, 5/29/97, p. 186.
67. Los Angeles Times, 7/27/97.
68. Evan Ryan deposition, 8/7/97, p. 110.
69. Evan Ryan deposition, 8/7/97, p. 110.
70. Margaret Williams deposition, 5/29/97, p. 232.
71. 5 C.F.R. 734.101.
72. 5 C.F.R. 734.101.
73. Memorandum for James B. King, director, Office of Personnel Management, from Walter Dellinger, Assistant Attorney General, Office of Legal Counsel, p. 14 (1995) (hereinafter “1995 DOJ Memorandum”). This opinion deals with personnel who administer the Federal Payroll Allocation System, which permits federal employees to make voluntary salary allotments to political action committees. According to the opinion, those Office of Personnel Management staffers who administer the salary-allotment procedure for PAC contributions do not violate 18 U.S.C. § 607 because they are not actually receiving the money that employees allocate to PACs.
74. 1995 DOJ Memorandum, p. 14 (quoting Contributions for Political Purposes, 21 Op. Att’y Gen., 298, 300-01 (1896)).
75. Margaret Williams deposition, 5/29/97, p. 244.
76. Margaret Williams deposition, 5/29/97, pp. 244-45.
77. Margaret Williams deposition, 5/29/97, pp. 245-46.
78. Soft money contributions are not covered by the Federal Election Campaign Act, and section 607 applies only to those contributions that are so covered. See Chapter 24.
79. FEC Records.
80. See Letter from Attorney General Reno to Senator Orrin Hatch, 4/14/97 (regarding phone calls).

81. 5 C.F.R. 734.101; 1995 DOJ Memorandum.
82. Los Angeles Times, 12/10/96.
83. Los Angeles Times, 12/10/96.
84. New York Times, 3/22/97.
85. Chicago Tribune, 10/28/96.
86. Legal Times, 4/14/97.
87. Legal Times, 4/1/97.
88. USA Today, 12/10/96, citing notes taken by Janis Kearney.
89. Washington Post, 10/26/96.
90. Chicago Tribune, 10/28/96.
91. USA Today, 10/28/96; Washington Post, 10/26/96: In a letter to Representatives Bob Livingston and Frank Wolf, Secret Service Director Eljay Brown wrote, "No member of the White House staff was informed of Mr. Cabrera's criminal history as these records are for law enforcement use only. There are no letters, memoranda, transcripts, electronic mail, phone records, or other records detailing any communications from the Secret Service to the White House."
92. A Lexis-Nexis search would have turned up, among other things, a UPI report dated 12/15/83 which notes that "Jorge Luis Cabrera . . . is charged with bribing a grand jury witness, smuggling marijuana and engaging in racketeering."
93. New York Times, 3/22/97.
94. Washington Post, 4/8/97.
95. Staff Interview with Nancy Soderberg, Advisor to the President for National Security Affairs, National Security Council, 5/30/97.
96. Karen Hancox deposition, 6/9/97, p. 93.
97. Karen Hancox deposition, 6/9/97, pp. 55-58; see also Doug Sosnik deposition, 6/20/97, p. 175.
98. Washington Post, 4/8/97.
99. Time, 7/8/96.

100. Press statement issued by RNC Chairman Haley Barbour, 11/3/96.
101. Richmond Times Dispatch, 7/13/97.
102. AP Online, 7/30/97; New York Times, 2/3/97.
103. AP Online, 7/30/97.
104. Tampa Tribune, 2/3/97; New York Times, 2/3/97.
105. Staff Interview with Robert Suettinger, Director, Asian Affairs, National Security Council, 6/3/97.
106. Austin-American Statesman, 3/30/97.
107. Austin-American Statesman, 3/30/97.
108. Austin-American Statesman, 3/30/97.
109. Washington Post, 3/16/97.
110. Senator Glenn, 7/9/97 Hrg., p. 154.
111. Senator Glenn, 7/9/97 Hrg., p. 155
112. Staff Interview with Robert Suettinger, Director, Asian Affairs, National Security Council, 6/3/97.
113. New York Daily News, 12/5/96.
114. Los Angeles Times, 8/19/97.
115. Los Angeles Times, 8/19/97; Washington Post, 12/1/97.
116. Los Angeles Times, 8/19/97.
117. United States v. Yung Soo Yoo, 833 F.2d 488 (3d Cir. 1987).
118. Los Angeles Times, 8/19/97.
119. FEC records.
120. FEC records.
121. Washington Post, 7/3/91; The Hill, 6/4/97; Star-Ledger, 4/15/97.
122. New York Daily News, 11/21/96; New York Daily News, 4/11/97; The Hill, 6/4/97.

123. Los Angeles Times, 8/19/97.

124. Albany (N.Y.) Times Union, 12/24/94; Bergen Record (Bergen County, N.J.), 9/15/94.

125. FEC records.

126. New York Daily News, 11/21/96.

127. New York Daily News, 11/21/96.

128. New York Daily News, 11/21/96.

129. FEC records.